

## **DEPARTMENT OF AGRICULTURE**

**AGENCY:** Natural Resources Conservation Service (NRCS), Commodity Credit Corporation

### **ACTION: NOTICE**

Conservation Innovation Grants Fiscal Year (FY) 2009 Announcement for Program Funding (APF)  
Catalog of Federal Domestic Assistance (CFDA) Number: 10.912

**SUMMARY:** Arkansas Natural Resources Conservation Service (NRCS) requests applications for Conservation Innovation Grants (CIG) to stimulate the development and adoption of innovative conservation approaches and technologies within the state of Arkansas. NRCS anticipates that the amount available for support of this program in FY 2009 will be approximately \$338,215. Funds will be awarded through a statewide competitive grants process.

There are two CIG categories available in FY 2009: Natural Resource Concerns Category and Technology Category.. Applications are requested from eligible governmental or non-governmental organizations or individuals for competitive consideration of grant awards for projects between 1 and 3 years in duration. This notice identifies the objectives for CIG projects, the eligibility criteria for projects, and provides the associated instructions needed to apply to CIG.

**DATES:** Applications must be received in the Arkansas NRCS State Office by 4:30 p.m. Central Daylight Time (CDT), on May 1, 2009

**ADDRESSES:** The address for hand-delivered applications or applications submitted using express mail or overnight courier service is: USDA - Natural Resources Conservation Service, Conservation Innovation Grants Program, Room 5301 Federal Building, 700 West Capital Avenue, Little Rock, Arkansas. Contact phone number for hand-delivered applications is 501-301-3164.

Applications sent via the U.S. Postal Service must be sent to the following address: USDA Natural Resources Conservation Service, Conservation Innovation Grants Program, Room 3416 Federal Building, 700 West Capital Avenue, Little Rock, Arkansas, 72201.

For more information contact:

Dennis Mobley  
State CIG Program Coordinator  
USDA-NRCS  
Room 3416 Federal Building  
700 West Capital Avenue  
Little Rock, Arkansas  
501-301-3164

## SUPPLEMENTARY INFORMATION

### I. FUNDING OPPORTUNITY DESCRIPTION

#### A. Legislative Authority

CIG was authorized as part of the Environmental Quality Incentives Program (EQIP) [16 U.S.C. 3839aa-8] under Section 1240H of the Food Security Act of 1985, as added by Section 2509 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246). The Secretary of Agriculture delegated the authority for the administration of EQIP and CIG to the Chief of the Natural Resources Conservation Service (NRCS), who is Vice President of the Commodity Credit Corporation (CCC). EQIP is funded and administered by NRCS under the authorities of the CCC. Responsibility for state funded CIG projects was further delegated to individual State Conservationists in each state choosing to use this option. State CIG grants will be funded with available state EQIP allocations.

#### B. Overview

The purpose of CIG is to stimulate the development and adoption of innovative conservation approaches and technologies while leveraging the Federal investment in environmental enhancement and protection, in conjunction with agricultural production. CIG projects are expected to lead to the transfer of conservation technologies, management systems, and innovative approaches (such as market-based systems) into NRCS technical manuals, guides, and references or to the private sector. CIG does not fund research projects. It is a vehicle to stimulate the development and adoption of conservation approaches or technologies that have been studied sufficiently to indicate a likelihood of success, and to be candidates for eventual technology transfer or institutionalization. CIG funds projects targeting innovative on-the-ground conservation, including pilot projects and field demonstrations.

NRCS will accept applications for single or multi-year projects, not to exceed 3 years, submitted to NRCS from eligible entities including Federally-recognized Indian Tribes, State and local governments, and non-governmental organizations and individuals. Applications will be evaluated by a technical review panel based on the Criteria for Application Evaluation identified in this document. The technical review panel will be comprised of technical specialists associated with all of the listed criteria. Technical specialists from members of the State Technical Committee will be invited to serve on the technical review group provided the agency or organization they are affiliated with have not submitted a proposal which will be reviewed. Individuals invited to participate will represent a major resource concerns listed in this document. Applications with technically-based recommendations from the technical review panel will be forwarded to the Assistant State Conservationist for Programs who, in consultation with the State Administrative Officer, will make recommendation to the State Conservationist. Final award selections will be made by the State Conservationist.

#### C. Innovative Conservation Projects or Activities

For the purposes of CIG, the proposed innovative project or activity must encompass the development and field testing, evaluation, and implementation of:

- Conservation adoption approaches or incentive systems, including market-based systems; or,
- Promising conservation technologies, practices, systems, procedures, or approaches.

To be given priority consideration, the innovative project or activity:

- Must have been studied sufficiently to indicate a good probability for success;
- Demonstrates, tests, evaluates, and verifies environmental (soil, water, air, plants, and animal) effectiveness, utility, affordability, and usability in the field;
- Adapts conservation technologies, practices, systems, procedures, approaches, and incentive systems to improve performance and encourage adoption;
- Introduces conservation systems, approaches, and procedures from another geographic area or agricultural sector; and
- Adapts conservation technology, management, or incentive systems to improve performance.

#### **D. State Component CIG Categories**

For FY 2009, CIG in Arkansas will offer two categories. Applicants must identify the most appropriate category for their proposal. The categories are Natural Resource Concerns, and Technology. These categories also include applications that focus on Market Based Approaches. The objective of this approach is to develop, implement, and/or evaluate processes, technology tools, institutional arrangements, or systems that are ‘market-based’ in nature and address one of the priority resource concerns below.

##### **1. State Natural Resource Concerns Category**

Applications must demonstrate the use of innovative technologies or approaches, or both, to address a natural resource concern or concerns. The five natural resource concerns for possible funding through this state CIG for FY 2009 are: Water Resources; Soil Resources; Grazing Land; Forest Health; and Wildlife Habitat. All proposals will be evaluated together using criteria listed in this document regardless of which natural resource concern will be addressed by the proposal.

###### **a. Water Resources**

The objective of this natural resource concern is to implement new technologies and/or approaches to maintain, restore, or enhance water quality and/or quantity in watersheds with predominantly agricultural land uses while sustaining productivity. Subtopics include:

- Aquifer recharge/maintenance of groundwater supplies;
- Water conservation, including innovative approaches and methods for conservation irrigation water use;
- Technologies scalable to small farms to maintain, restore, or enhance water quality and/or quantity;
- Innovative approaches to animal manure or poultry litter management systems to reduce nutrient loading to ground and or surface water; and
- Innovative approaches contributing to implementation of pollution reduction strategies to improve water quality locally or on a regional or watershed scale.

## **b. Soil Resources**

The objective of this natural resource concern is to implement new technologies and/or approaches to maintain, restore, or enhance soil resources associated with agricultural (including grazing lands and orchards) and forest land uses while sustaining productivity. Subtopics include:

- Application of cover crops to enhance soil resources while maintaining crop productivity;
- Application of continuous no-till crop production to enhance soil resources while maintaining crop productivity;
- New, innovative methods for erosion control under all land uses; and
- New and innovative methods to improve soil tilth and soil quality related to maintained or improved productivity.

## **c. Grazing Land**

The objective of this natural resources concern is to implement new technologies and/or approaches to maintain, restore, or enhance grazing land while sustaining productivity. Subtopics include:

- Invasive species management on grazing land;
- New and innovative approaches and methods to reduce the effects of pests and diseases on grazing land quality, health, and productivity;
- New and innovative approaches and methods to reduce fragmentation on grazing land quality, health, and productivity; and
- Conservation practices and systems to minimize overgrazing, restore lands suffering effects of overgrazing, and improve forage productivity and utilization; and
- Low-input approaches to increasing forage production;.
- Alternative grasses or forages for livestock; production that improve or enhance resource conservation.

## **d. Forest Health**

The objective of this natural resource concern is to implement new technologies and/or approaches to maintain, restore, or enhance forest health while sustaining productivity. Subtopics include:

- Management of small diameter, low grade hardwood sites to improve forest health and productivity.
- Invasive species management on forest land;
- Effects of pests, diseases, and fragmentation on forest health and productivity;
- Fire management on forest land; and
- Improving water and air quality while maintaining forest health and productivity.

### **e. Wildlife Habitat**

The objective of this natural resource concern is to implement new technologies and/or approaches for environmentally sound wildlife habitat management while sustaining agricultural productivity. Possible subtopics include:

- Riparian area management and restoration;
- Invasive species management (plant or animal);
- Pollinator protection;
- Biodiversity; and
- Crop production, grazing management, or forestry practices that enhance wildlife habitat.
- Management of plant materials used for bio-fuel production to enhance wildlife habitat.

## **2. State Technology Category**

Applications must address one or more of the following specific technology needs areas identified by NRCS. Listed items under each category are intended only as examples. Actual proposal must address an issue known to be important in Arkansas.

### **a. Improved On-Farm Energy Efficiency**

Possible subtopics include:

- Bio-based energy opportunities;
- Methane recovery and reduction in nitrogen dioxide (NO<sub>2</sub>) and sulfur dioxide (SO<sub>2</sub>);
- Improving the energy efficiency of land-based agricultural production through conservation practices and activities; and
- Energy audit of activities related to natural resource concerns (soil, water, air, plants, and animals) on agricultural lands.
- Use of non-commercial products in the forest to facilitate bio-fuel production.

### **b. Water Management (Both Drainage Water and Irrigation Water)**

Possible subtopics include:

- Implementation of drainage water management systems in small watersheds and application of tools to assess multiple effects (e.g., economic, wildlife habitat, soil quality, air quality, wetlands, and water quality) at watershed scale;
- Achieving downstream nutrient reduction benefits through management of surface or sub-surface drainage systems;
- Improving water/nutrient accounting/budgeting;
- Improving design and management of drainage water management systems to improve benefits to producers and the environment;
- Management of surface or sub-surface drainage systems to reduce nutrients losses to downstream waters, document benefits to fish and wildlife, soil quality, air quality, and account for nutrient and water losses;
- Demonstrations to further define and address the topographical limitations of drainage water management;

- Producer adoption and management of drainage water management as part of a complete conservation system;
- Demonstration of the performance of buffers with drainage water management to reduce nutrient loadings in tile-drained landscapes;
- Improving wetland creation, restoration, and enhancement to reduce nutrient loadings;
- Achieving nutrient or pollutant reduction benefits in downstream receiving waters through area-wide or regional irrigation water management, scheduled application, and supply or application of new or innovative technology; and
- Water conservation, including innovative approaches and methods to conserve irrigation water use.

**c. Improved Nutrient Management to Improve Water Quality**

- Implementation of conservation systems to reduce nutrient runoff and leaching by proper rate, timing, and placement of nutrients;
- Demonstration of the effectiveness of “high potential” conservation practices (such as drainage management, wetlands designed for nutrient reduction, conservation buffers, cropping systems including cover crops, manure management, in-field nutrient management) in reducing nutrient leaching and runoff and document benefits in small watersheds;
- Demonstration of the performance of conservation buffers and filter strips by assessing the situational effectiveness of their component practices and design parameters (including appropriate width and plant materials); and
- Improved management strategies and approaches for reducing the loss of soluble nutrients.

**d. Conservation Technology Transfer to Targeted Groups of Farmers and Ranchers**

- Transfer of demonstrated conservation technologies and practices through a producer handbook consistent with NRCS’ Field Office Technical Guide and adapted to specific producer groups (i.e., organic farming, specialty crops, livestock, poultry, row crops, small grains, etc.);
- Improved or innovative conservation practices and systems for rice production that address the habitat needs of waterfowl;
- Demonstration of conservation practices and systems that are affective for organic crops and livestock/poultry production; and
- Technology transfer to Beginning Farmers or Ranchers, Socially Disadvantaged Farmers or Ranchers, or Limited Resource Farmers or Ranchers.

## **II. FUNDING AVAILABILITY**

The intent of the State Component is to provide flexibility to NRCS State Conservationists to target CIG funds to individual producers and smaller organizations that may possess promising innovations, but may not compete well on the larger scale of the national grants competition.

Project applications received under the national grants program that requests Federal funds of \$75,000 or less, and are not multi-State in scope, will be forwarded to the appropriate State program manager if that State is participating in the State Component. All applicants whose applications are

forwarded will be notified in writing and provided with a contact for State Component information.

State funds will be awarded through a statewide competitive grants process.. Funds have been set aside from the state allocation of EQIP funds in the amount of \$338,215. This represents 2.5% of available EQIP financial assistance funds. The use of all of these funds for CIG projects is not guaranteed, but is subject to a sufficient number of qualifying and acceptable proposals. CIG will fund single- and multi-year projects, not to exceed 3 years. Individual grants may not exceed \$75,000. CIG funds not used will revert back into the EQIP financial assistance funding pool.

The anticipated start date for awarded projects is October 1, 2009.

### **III. ELIGIBILITY INFORMATION**

CIG applicants must be a federally recognized Indian Tribe, State, or local unit of government, non-governmental organization, or individual.

#### **A. Matching Funds**

Selected applicants may receive CIG grants of up to 50 percent of the total project cost. Applicants must provide non-Federal funding (matching funds) for at least 50 percent of the project cost. Up to half of the applicant's matching funds (up to 25 percent of the total project cost) may be from in-kind contributions.

#### **B. Beginning Farmers or Ranchers, Socially Disadvantaged Farmers or Ranchers**

For the FY 2009 grant award process, up to \$75,000 will be set-aside for applications from Beginning Farmers or Ranchers, Socially Disadvantaged Farmers or Ranchers, or community-based organizations comprised of or representing these entities. To compete for these set-aside funds, the applicant must make a declaration in the application as described in Part IV C.7 of this notice. Applications that are unsuccessful in the set-aside competition will be placed automatically in the general application pool for consideration. Funds not used in the set-aside pool will revert back into the general CIG funding pool.

***Beginning Farmer or Rancher*** - a person or legal entity who:

- Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of an entity who will materially and substantially participate in the operation of the farm or ranch.
- In the case of a contract with an individual, individually, or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch consistent with the practices in the county or State where the farm is located.
- In the case of a contract with an entity or joint operation, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that each of the members provide some amount of the management or labor and management necessary for day-to-day activities, such that if each of the members did not provide these inputs, operation of the farm or ranch would be seriously impaired.

***Socially Disadvantaged Farmers or Ranchers*** - a farmer or rancher who has been subjected to racial or ethnic prejudices because of their identity as a member of a group without regards to their individual qualities.

In addition, an exception regarding matching funds is made for projects funded out of the set-aside. Up to three-fourths of the required matching funds for such projects (up to 37.5 percent of the total project cost) may derive from in-kind contributions. This exception is intended to help Beginning Farmers or Ranchers and Socially Disadvantaged Farmers or Ranchers meet the statutory requirements for receiving a CIG.

### **C. EQIP Payment Limitation and Duplicate Payments**

Section 1240G of the Food Security Act of 1985, 16 U.S.C. 3839aa-7, imposes a \$300,000 limitation for all cost-share or incentive payments disbursed to individuals or entities under an EQIP contract between fiscal years 2008 and 2012. The limitation applies to CIG in the following manner:

- CIG funds are awarded through grant agreements; these grant agreements are not EQIP contracts. Thus, CIG awards in and of themselves are not limited by the payment limitation.
- Direct or indirect payments made to an individual or entity using funds from a CIG award to carry out structural, vegetative, or management practices count toward each individual's or entity's EQIP payment limitation. Through project progress reports, CIG grantees are responsible for certifying that producers involved in CIG projects do not exceed the payment limitation. Further, all direct and indirect payments made to producers using CIG funds must be reported to the NRCS CIG program manager in the semi-annual report. Direct or indirect payments cannot be made for a practice for which the producer has already received funds, or is contracted to receive funds, through any of the USDA Programs (EQIP, Agricultural Management Assistance, Conservation Security Program, Wildlife Habitat Incentives Program, etc.) since this would be considered a duplicate payment.

### **D. Project Eligibility**

To be eligible for CIG, projects must involve landowners who meet the EQIP eligibility requirements as set forth in 16 U.S.C. 3839aa-1. Further, all agricultural producers receiving direct or indirect payments through participation in a CIG project must also meet the EQIP eligibility requirements. Refer to <http://www.nrcs.usda.gov/programs/eqip/> for more information on EQIP eligibility requirements. Participating producers are not required to have an EQIP contract.

A person or legal entity shall not be eligible to receive any benefit during a crop, fiscal, or program year, as appropriate, if the average adjusted gross non-farm income of the person or legal entity exceeds \$1,000,000, unless not less than 66.66 percent of the average adjusted gross income of the person or legal entity is average adjusted gross farm income.

A person who is determined ineligible for USDA program benefits under the Highly Erodible Land Compliance (HELIC) and Wetland Compliance (WC) provisions of the Food Security Act of 1985 will not be eligible to receive direct or indirect payments through CIG.

Technologies and approaches that are eligible for funding in a project's geographic area through EQIP are ineligible for CIG funding except where the use of those technologies and approaches demonstrates clear innovation. The burden falls on the applicant to sufficiently describe the innovative features of the proposed technology or approach (applicants should reference the appropriate State's EQIP Eligible Practices List by contacting the NRCS State office).

The grantee is responsible for providing the technical assistance required to successfully implement and complete the project. NRCS will designate a Program Contact, Administrative Contact, and Technical Contact to provide oversight for each project receiving an award.

## **IV. APPLICATION, SUBMISSION INFORMATION, AND ENVIRONMENTAL REVIEW REQUIREMENTS**

### **A. How to Obtain Application Materials**

All Office of Management and Budget standard forms necessary for CIG submission are posted on the following website: [www.grants.gov/agencies/aapproved\\_standard\\_forms.jsp](http://www.grants.gov/agencies/aapproved_standard_forms.jsp). An application checklist is available on the CIG website: [www.nrcs.usda.gov/programs/cig](http://www.nrcs.usda.gov/programs/cig).

### **B. Application Content and Format**

Applications must contain the information set forth below in order to receive consideration for a grant. Applicants should not assume prior knowledge on the part of NRCS or others as to the relative merits of the project described in the application. Applicants must submit seven copies of the application in the following format:

Applications should be typewritten or printed on 8½" x 11" white paper. The text of the application should be in a font no smaller than 12-point, double spaced, with one-inch margins. If submitting applications for more than one project, submit a separate, complete application package for each project.

Applications must include all required forms and narrative sections described below. Incomplete applications will not be considered.

- 1. Application Cover Sheet:** Applicants must use Standard Form 424 Application for Federal Assistance as the cover sheet for each project application. Standard Form 424 can be downloaded from [www.grants.gov/agencies/aapproved\\_standard\\_forms.jsp](http://www.grants.gov/agencies/aapproved_standard_forms.jsp) or obtained from the Arkansas NRCS State Office.
- 2. Project Summary Sheet:** Applicants must submit a Project Summary Sheet (no more than one page in length) that includes the listed information. A template for the Project Summary Sheet is available on the NRCS CIG website: [www.nrcs.usda.gov/programs/cig](http://www.nrcs.usda.gov/programs/cig).
  - a. Project Title
  - b. Project Director name, contact information (including e-mail)
  - c. Names and Affiliations of Project Collaborators
  - d. Project Purpose
  - e. Project Deliverables/Products
  - f. Project Scope/Area
  - g. Project Start and End Dates (Projects should plan to begin no earlier than October 1, 2009)
  - h. CIG Component Category (Natural Resources, or Technology.)
  - i. Proposal Review Category: Water Quality-Livestock; Water Quality-Not Livestock; Water Quantity; Soils Resources; Grazing Land, Forest Health; Wildlife Habitat, and On-Farm Energy Resources
  - j. Certification-Request for Federal Funds

3. **One-Page Abstract:** A one-page, single-sided, non-confidential technical summary that describes the work to be undertaken and the expected outcome and benefits. The technical summary should take into account the priorities and evaluation factors described in this solicitation. Pages in excess of the one-page limit will be discarded.
4. **Project Description:** The description must include the following information and should not exceed 15 pages (single-sided, double-spaced) in length:
  - a. A project narrative which clearly and concisely describes the proposed project and discusses the expected benefits. The project narrative should provide a clear description of the work to be undertaken and how it will be accomplished. It must be formatted to address each of the merit review criteria listed in section V.1.B and provide sufficient information for the reviewers to evaluate the application in accordance with these merit review criteria. The project narrative should mention the amount of money applied for and matching dollars provided. The project narrative should be organized into the following sections:
    - i. Introduction
    - ii. Technical Relevance and Merit
    - iii. Technical Approach/Work Plan
    - iv. Energy Efficiency/Displacement, Rural Economic Development, Environmental Benefits
    - v. Technical, Management, and Facility Capabilities

Note:

- Pages in excess of the 15-page limit will be discarded and not evaluated.
  - Bibliography and references for any references cited in the technical proposal. This section must include only bibliographic citations and will be included in the page count for the project narrative 15-page limit.
  - Resumes or biographical sketches for key personnel may be included. However, the resumes or biographical sketch pages will be included in the page count for the project narrative. The most important information provided should be a brief statement justifying why this individual is a good choice for involvement in the proposed project. Other information such as education, professional positions held, publications, patents, or other activities may be included, as deemed appropriate.
- b. **Project background:** Describe the history of and need for the proposed innovation. Provide evidence that the proposed innovation has been studied sufficiently to indicate a good probability for success of the project;
  - c. **Project objectives:** Be specific using qualitative and quantitative measures, if possible, to describe the project's purpose and goals. Describe how, based on the description of innovative conservation projects and activities provided in section I.C., the project is innovative;
  - d. **Project methods:** Describe clearly the methodology of the project and the tools or processes that will be used to implement the project;
  - e. **Location and size of project or project area:** Describe the location of the project and the relative size and scope (e.g., acres, farm types and demographics, etc.) of the project area. Provide a map, if possible;

- f. Producer participation: Estimate the number of producers involved in the project and describe the extent of their involvement (all producers involved in the project must be eligible for EQIP);
- g. Project action plan and timeline: Provide a table listing project actions, timeframes, and associated milestones through project completion;
- h. Project management: Give a detailed description of how the project will be organized and managed. Include a list of key project personnel, their relevant education or experience, and their anticipated contributions to the project. Explain the level of participation required in the project by government and non-government entities. Identify who will participate in monitoring and evaluating the project;
- i. Benefits or results expected and transferability: Identify the results and benefits to be derived from the proposed project activities and explain how the results will be measured. Identify project beneficiaries, i.e., agricultural producers by type or region or sector; rural communities; municipalities. Explain how these entities will benefit. In addition, describe how results will be communicated to others via outreach activities;
- j. Project evaluation: Describe the methodology or procedures to be followed to evaluate the project, determine technical feasibility, and quantify the results of the project for the final report (Grant recipients will be required to provide a semi-annual report of progress, quarterly financial reports, and a final project report to NRCS. Instructions for submitting quarterly reports will be detailed in the grant agreement); and
- k. Environmental Information and Assessment of Environmental Impacts: Describe the anticipated environmental effects of the proposed project. The description of the potential environmental and social impacts must address all potential beneficial and adverse impacts of the proposed action. A description of the potential impacts to all environmental resources must be disclosed. Environmental resources include soil, water, air, plants, and animals, as well as other specific resources protected by law, Executive Order, and Agency policy. These resources are outlined in the NRCS Environmental Evaluation Worksheet, form NRCS-CPA-52, which is available at <http://www.nrcs.usda.gov/technical/ECS/environment/CPA-52.doc>. The CPA 52 form can be used as a guide for the scope of environmental information that should be prepared for this section of the application. In addition to describing impacts, applicants are required to assess the significance or degree of potential environmental impact of the proposed project on environmental resources. Applicants may consult with NRCS Environmental Liaison concerning the scope of what should be addressed in this section of the application. A list of the Environmental Liaisons can be found on the following website: <http://www.nrcs.usda.gov/technical/ECS/environment/liaison.doc>

Note: Please be aware that applications for projects with potentially adverse impacts may need to be modified in order to achieve acceptable and beneficial levels of environmental impact. If projects cannot be modified, then there is a potential during the screening process that the application may not be selected.

- 5. Budget Information:** Must use Standard Form (SF) 424A Budget Information Non-Construction Programs to document budget needs. SF 424A is available at [www.grants.gov/agencies/aapproved\\_standard\\_forms.jsp](http://www.grants.gov/agencies/aapproved_standard_forms.jsp) or can be obtained from a NRCS State Office. The Cost Proposal must:
- a. Indicate the amount of Federal funds requested and the matching resources provided by the applicant in order to carry out the project. The cost proposal is limited to 12 pages, plus required forms. Pages in excess of the 12-page limit will be discarded.
  - b. Provide a project budget and the applicant's request for a specific amount of Federal funds under this solicitation. The project budget should show a summary of proposed costs for each task identified in the Technical Approach/Work Plan, as well as the matching or corresponding resources devoted to this project by the applicant, including each of the participating entities in a consortium engaged to carry out the project as proposed.
  - c. The project budget should include the following for the applicant and each participant:
    - i. Position title, number of hours, and total cost for personnel proposed;
    - ii. Total cost for travel;
    - iii. Proposed equipment, supplies, or other major expenses over \$5,000;
    - iv. Total of all direct costs;
    - v. Total of indirect costs; and
    - vi. Summary of total project costs.
- 6. Budget Narrative:** In addition to the SF424 A, all applicants must provide a detailed narrative (3 pages maximum, single-sided and double-spaced) in support of the budget for the project, broken down by each project year. Itemize the costs necessary for successful completion of the proposed project. Indicate the total amount (both cash and in-kind) of non-Federal matching support that will be provided to the proposed project. Identify and provide documentation of the source(s), the amount, and the nature (cash or in-kind) of the matching funds. An indirect cost-rate agreement must be included if the applicant is claiming indirect costs. Indirect costs can not exceed 15 percent. In-kind costs of equipment or project personnel cannot exceed 50 percent of the applicant's match (except in the case of projects carried out by either a Beginning or Limited Resource Farmer or Rancher, or Indian Tribe, or a community-based organization comprised of or representing these entities). The remainder of the match must be provided in cash.
- 7. Declaration of Beginning Farmer or Rancher, Socially Disadvantaged Farmer or Rancher:** If an applicant wishes to compete in the \$75,000 set-aside funding pool (see Part III B.) that describes the provision of a set-aside pool of funding for beginning farmer or rancher, socially disadvantaged farmer or rancher, and avail themselves of the in-kind contribution exception, applicants must make a declaration in writing of their status as a Beginning Farmer or Rancher, Socially Disadvantaged Farmer or Rancher, or a community-based organization comprised of or representing these entities
- 8. Declaration of EQIP Eligibility:** Applicants must include a statement indicating that the proposed project will involve EQIP-eligible producers. Applicants must make a declaration in writing that they, or parties involved in the project, are eligible for EQIP (if EQIP eligible producers are not involved, the proposal will be considered ineligible).

- 9. Certifications:** All applications must include a signed Standard Form (SF) 424B - Assurances, Non-construction Programs. SF 424B may be found at: [www.grants.gov/agencies/aapproved\\_standard\\_forms.jsp](http://www.grants.gov/agencies/aapproved_standard_forms.jsp) or contact the NRCS State Office. Applicants, by signing and submitting an application, assure and certify that they are in compliance with the following from 7 Code of Federal Register (CFR):
- a. Part 3017, Government wide Debarment and Suspension (Non-procurement);
  - b. Part 3018, New Restrictions on Lobbying; and
  - c. Part 3021, Government wide Requirements for Drug Free Workplace (Financial Assistance).
- 10. DUNS Number:** A Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number is a unique nine-digit sequence recognized as the universal standard for identifying and keeping track of over 70 million businesses worldwide. A *Federal Register* notice of final policy issuance (68 FR 38402) requires a DUNS number in every application (i.e., hard copy and electronic) for a grant or cooperative agreement (except applications from individuals) submitted on or after October 1, 2003. For information about how to obtain a DUNS number, go to <http://www.grants.gov/RequestaDUNS> or call 1-866-705-5711. Please note that the registration may take up to 14 business days to complete.
- 11. Required CCR Registration:** The Central Contractor Registry (CCR) is a database that serves as the primary Government repository for contractor information required for the conduct of business with the Government. This database will also be used as a central location for maintaining organizational information for organizations seeking and receiving grants from the Government. CIG applicants must register with the CCR. To register, visit <http://www.ccr.gov>. Allow a minimum of 5 days to complete the CCR registration.

### **C. How to Submit a Written Application**

Applicants must submit one signed original copy of each project application. Hard copies must be accompanied by an electronic copy on a compact disc (CD). Electronic files must be either Microsoft Word or Adobe Acrobat (pdf) files. Applications submitted via facsimile or e-mail will not be accepted.

Applicants must submit seven copies of the application in the following format:

Applications should be typewritten or printed on 8½" x 11" white paper. The text of the application should be in a font no smaller than 12-point, double spaced, with one-inch margins. If submitting applications for more than one project, submit a separate, complete application package for each project.

The address for hand-delivered applications or applications submitted using express mail or overnight courier service is:

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Conservation Innovation Grants Program  
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700 West Capital Avenue  
Little Rock, Arkansas 72201

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USDA Natural Resources Conservation Service  
Conservation Innovation Grants Program  
Room 3416 Federal Building  
700 West Capital Avenue  
Little Rock, Arkansas 72201.

#### **D. Application Due Date**

Complete applications must be received at the NRCS Arkansas State Office by 4:30 p.m. CDT on May 1, 2009. A postmark date is NOT a factor in whether an application is received on time. The applicant assumes the risk of any delays in application delivery. Applicants are strongly encouraged to submit completed applications via overnight mail, delivery service, or otherwise hand deliver to ensure timely receipt by NRCS.

#### **E. Acknowledgement of Submission**

Applications received by the due date will be acknowledged with an official letter. If an applicant has not received an acknowledgement within 30 days of the submission, they must contact the NRCS programmatic contact (See Part VII). Failure to do so may result in the application not being considered for funding by the technical review panel.

#### **F. Funding Restrictions**

Awardees may not use unrecovered indirect costs as part of their matching funds. CIG funds may not be used to pay any of the following costs unless otherwise permitted by law, or approved in writing by the Authorized Departmental Officer in advance of incurring such costs:

1. Costs above the amount of funds authorized for the project;
2. Costs incurred prior to the effective date of the grant;
3. Costs which lie outside the scope of the approved project and any amendments thereto;
4. Entertainment costs, regardless of their apparent relationship to project objectives;
5. Compensation for injuries to persons, or damage to property arising out of project activities;
6. Consulting services performed by a Federal employee during official duty hours when such consulting services result in the payment of additional compensation to the employee; and,
7. Renovation or refurbishment of research or related spaces; the purchase or installation of fixed equipment in such spaces; and the planning, repair, rehabilitation, acquisition, or construction of buildings or facilities.

This list is not exhaustive. Questions regarding the allowances of particular items of cost should be directed to the administrative contact person.

## **G. Patents and Inventions**

Allocation of rights to patents and inventions shall be in accordance with USDA regulation 7 CFR 3019.36. This regulation provides that small businesses normally may retain the principal worldwide patent rights to any invention developed with USDA support. In accordance with 7 CFR 3019.2, this provision will also apply to commercial organizations for the purposes of CIG. USDA receives a royalty-free license for Federal Government use, reserves the right to require the patentee to license others in certain circumstances, and requires that anyone exclusively licensed to sell the invention in the United States must normally manufacture it domestically.

## **H. Environmental Review Requirements**

The National Environmental Policy Act (NEPA) and NRCS regulations that implement NEPA require that an environmental review be prepared for actions where the Agency has discretion and control. Accordingly, NRCS' financial assistance under the CIG program requires compliance with these regulations. As part of the application packet, applicants are required to provide environmental information pertaining to their project (described further under Part IV B.4.k.) to help NRCS determine the appropriate documentation required to comply with NEPA and NRCS regulations. If the application is selected for funding, the NRCS Program Contact and NRCS Environmental Liaison will coordinate with the selected applicant concerning documentation for compliance with NEPA. The selected applicant will be required to prepare and/or pay for the preparation of the appropriate NEPA document (e.g., Environmental Assessment and/or Environmental Impact Statement if required for NEPA compliance). Grant funding cannot be approved until the environmental review requirements demonstrating compliance with NEPA are met.

## **I. Withdrawal of Applications**

Applications may be withdrawn by written notice at any time before an award is made. Applications may be withdrawn by the applicant, or by an authorized representative thereof, if the representative's identity is made known and the representative signs a receipt for the application.

## **J. Deliverables**

Applications must include the following activities as deliverables:

1. Semi-annual reports;
2. Supplemental narratives to explain and support payment requests;
3. Final report;
4. Performance items specific to the project that indicate progress;
5. New technology and innovative approach fact sheet; and

## **APPLICATION REVIEW**

### **A. Application Review and Selection Process**

Prior to the technical review, each application will be screened for completeness and compliance with the provisions of this notice. Incomplete applications, and those that do not meet the provisions of this notice, will be eliminated from competition and notification of elimination will be mailed to the applicant.

Applications under the Natural Resource Concerns Category and Technology Category, meeting the provisions of this notice will be reviewed by a Technical Review Panel. Applications with technically-based recommendations from the technical review panel will be forwarded to the Assistant State Conservationist for Programs who, in consultation with the State Administrative Officer, will make recommendation to the State Conservationist. Final award selections will be made by the State Conservationist.

### **B. Criteria for Application Evaluation under the Natural Resource Concerns Category and Technology Category.**

A technical review panel will use the following criteria to evaluate project applications.

#### **1. Purpose, Approach, and Goals:**

- a The purpose and goals are clearly stated;
- b There is strong potential for successful completion;
- c Outcome is clearly measurable with regards to the CIG natural resource concern(s);
- d Project conforms to this Request for Grant Proposal's description of innovative projects or activities;
- e Design and implementation of project is based on sound methodology and/or demonstrated technology;
- f Project promotes environmental enhancement and protections in conjunction with agricultural; and
- g The project has a significantly positive environmental impact in consideration of potentially adverse impacts.

#### **2. Project Management:**

- a Milestones and timeline are clear and reasonable;
- b Project staff has the technical expertise needed;
- c Budget is adequately explained and justified; and
- d Percentage that project leverages non-Federal matching funds above the required 50 percent (degree to which non-Federal matching funds are leveraged).

#### **3. Transferability:**

- a Potential to transfer the approach or technology over a broad part of the state
- b Project will result in the development or improvement of NRCS technical or related materials that will help foster expanded adoption of the innovative technology or approach.

### **C. Anticipated Announcement and Award Dates**

CIG Awards are anticipated to be announced by June 15, 2009. Funds are not awarded, and work may not start, until an agreement is signed by both NRCS and the grantee. All agreements are expected to be awarded by September 30, 2009.

## **VI. AWARD INFORMATION AND ADMINISTRATION**

### **A. Award Notification**

Applicants who have been selected for funding pending environmental review will receive a letter of official notification from the Arkansas NRCS State Office. Upon notification of selection, the applicant should contact the NRCS Environmental Liaison in order to determine the scope and level of NEPA documentation required for the project. The environmental documentation prepared to meet NEPA requirements must be prepared prior to award of grant funds. The official notice will also indicate the need to work with the administrative contact to develop an agreement prior to starting work on the project. Applicants who are not selected will be notified by official letter.

NRCS reserves the right to have grant award(s) administered by a third party. In the event that a third party administers the grant award(s), the applicant/recipient will be notified in writing.

### **B. Environmental Review Requirements**

Project proponents that are selected to receive grant funding will need to work with the NRCS Program Contact and NRCS Environmental Liaison concerning what documentation will need to be prepared for compliance with the National Environmental Policy Act (NEPA) and NRCS regulations. Selected applicants may be required to prepare and/or pay for the preparation of the appropriate NEPA document if an Environmental Assessment and/or Environmental Impact Statement is needed. Grant funds can not be awarded until the environmental review requirements demonstrating compliance with NEPA are met.

### **C. Grant Agreement**

The CCC, through NRCS, will use a grant agreement with selected applicants to document participation in the CIG component of EQIP. The grant agreement will include:

- Project purpose;
- Project objectives and deliverables;
- Final project plan listing cooperators in the project and identifying the grant applicant and project manager;
- Project timelines and expected project completion date;
- Project progress and budget reporting requirements;
- Award amount and budget information;
- Information regarding requests for advance of funds or reimbursement;
- Role of NRCS technical oversight in the project;
- Reporting requirements including attendance at NRCS CIG Showcase or comparable NRCS event during the period of the grant;

- Changes in project plans; and
- Other requirements and terms deemed necessary by the CCC to protect the interests of the United States.

#### **D. Reporting Requirements**

Grantees receiving an advance of Federal funds of more than \$25,000 are required to submit a SF-272 (Report of Federal Cash Transactions) and, when necessary, the continuation sheet, SF-272-A, no later than 15 days following the end of each quarter or 90 days after project completion. These reports are used to monitor cash advanced to recipients and to obtain disbursement and outlay information for each award.

Grantees must submit a Financial Status Report (SF 269) no later than 30 days after the end of each quarter and 90 days after completion of project. The SF-272 and SF-269 are available at: <http://www.nrcs.usda.gov/programs/cig/InfoForGrantees.html>.

In addition, the grantee must submit a written performance progress report to the NRCS program contact and the NRCS technical contact every 6 months. This report is distinct from the quarterly financial report described above. Each progress report shall cover work performed during the previous 6-month period, including any funded or unfunded time extensions, a comparison of actual accomplishments to project goals, and a statement of work projected to be completed in the next 6-month period.

The grantee is responsible for providing the technical assistance required to successfully implement and complete the project. NRCS will designate a Program Contact, an Administrative Contact, and a Technical Contact to provide oversight for each project receiving an award. These individuals will have agency oversight responsibility for the project.

To satisfy the requirements of EQIP (7 CFR 1466) compliance measures, the grantee is required to submit as a component of the semi-annual progress report:

- A list of producers, identified by name and social security number, of all EQIP-eligible producers or entities involved in the project;
- The dollar amount of direct and indirect payment made to each individual producer or entity for any structural, vegetative, or management practices. Both quarterly and cumulative payment amounts must be submitted; and
- A self-certification indicating that each individual or entity receiving a direct or indirect payment through this grant is in compliance with the EQIP Payment Limitation, AGI, HEL, and Wetlands Conservation Compliance Farm Bill provisions.

A progress report template will be provided to grantees by the NRCS program contact. This template is available on the NRCS CIG website at:

<http://www.nrcs.usda.gov/programs/cig/InfoForGrantees.html>.

The grantee must send copies of each semi-annual progress report to these NRCS contacts, and comply with any requests for information from these individuals. NRCS recommends that the grantee work closely with these subject matter experts throughout the course of the project.

Upon passage of the completion date of the project, a final report must be submitted within 90 days detailing project activities, funding received, funding expended, results, and potential for transferability of results. The final report should address completion of the project deliverables listed in the grant agreement.

## **VII. AGENCY CONTACTS**

### **CIG Program Contact:**

Dennis Mobley  
State CIG Program Coordinator  
USDA-NRCS  
Room 3416 Federal Building  
700 West Capital Avenue  
Little Rock, Arkansas  
501-301-3164

### **CIG Administrative Contact:**

State Administrative Officer  
USDA-NRCS  
Room 3416 Federal Building  
700 West Capital Avenue  
Little Rock, Arkansas  
501-301-3169

### **NRCS Environmental Liaison:**

Michelle Clendenin  
Biologist  
USDA-NRCS  
Room 3416 Federal Building  
700 West Capital Avenue  
Little Rock, Arkansas  
501-301-3144

Additional information about CIG, including fact sheets and frequently asked questions (FAQs), is available on the CIG webpage: [www.nrcs.usda.gov/programs/cig](http://www.nrcs.usda.gov/programs/cig)

Signed in Little Rock, Arkansas

Kalven L. Trice  
State Conservationist, Arkansas  
Natural Resources Conservation Service

## VIII. OTHER INFORMATION

**Important: Applications Missing Any of These Required Items Will Not Be Considered**

### CONSERVATION INNOVATION GRANTS FISCAL YEAR 2009 APPLICATION PACKAGE CHECK LIST

- 1. Application Cover Sheet:** Complete Standard Form 424 (SF-424) Application for Federal Assistance
- 2. Project Summary Sheet:** (One page maximum)
  - a. Project Title
  - b. Project Director name, contact information (including e-mail)
  - c. Names and affiliations of project collaborators
  - d. Project Purpose
  - e. Project Deliverables/ Products
  - f. Project Scope/Area
  - g. Project Start and End Dates (Projects should plan to begin no earlier that October 1, 2009)
  - h. CIG State Component Category (Natural Resources or Technology)
  - i. Certification-Request for Federal Funds
- 3. One-Page Abstract:** (non-confidential summary describing the project and expected outcomes and benefits)
- 4. Project Description:** (15 pages maximum, double spaced, single sided, 12 point font)
  - a. Project narrative
  - b. Project background
  - c. Project objectives
  - d. Project methods
  - e. Location and size of project area (include a map if possible)
  - f. Producer participation
  - g. Project action plan and timeline
  - h. Project management
  - i. Benefits or results expected and transferability
  - j. Project evaluation
  - k. Environmental information and assessment of environmental impacts
- Budget Information:** Submit a completed Standard Form 424A (SF-424a) Budget Information-Non-Construction Programs
- 6. Budget Narrative:** Submit a detailed budget narrative (maximum of 3 pages)

- 7. Declaration of Beginning Farmer or Rancher, Socially Disadvantaged Farmer or Rancher (Special Provisions):** If applicable, include a statement declaring your status as a Beginning Farmer or Rancher, Socially Disadvantaged Farmer or Rancher, or Community-based Organization representing these entities.
- 8. Declaration Environmental Quality Incentives Program (EQIP) Eligibility:** Include a statement indicating that the proposed project will involve EQIP-eligible producers. Applicants must make a declaration in writing that they, or parties involved in the project, are eligible for EQIP. (If EQIP eligible producers are not involved, the proposal will be considered ineligible.)
- 9. Certifications:** Complete Standard Form 424B (SF-424b) Assurances-Non-Construction Programs
- 10. DUNS Number:** For information about how to obtain a DUNS number go to [www.grants.gov/](http://www.grants.gov/). Request a DUNS number or call 1-866-705-5711. Please note that the registration may take up to 14 business days to complete.
- 11. Required Central Contractor Registration (CCR):** Visit [www.ccr.gov](http://www.ccr.gov) to register.

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